

ORIGINAL

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR  
3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FAX (202) 424-7645  
WWW.SWIDLAW.COM

NEW YORK OFFICE  
THE CHRYSLER BUILDING  
405 LEXINGTON AVENUE  
NEW YORK, NY 10174  
(212) 973-0111 FAX (212) 891-9598

PATRICK J. DONOVAN  
DIRECT DIAL (202) 424-7857  
PJDONOVAN@SWIDLAW.COM

March 11, 2002

RECEIVED

MAR 11 2002

VIA COURIER

William F. Caton, Acting Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

EX PARTE OR LATE FILED

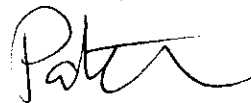
*Ex Parte*  
CC Docket No 01-347

Dear Mr. Caton:

The attached letter providing notice of ex parte presentations pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, filed March 8, 2002 inadvertently omitted the attachments referred to therein. These attachments are being provided at this time.

Please associate this letter with the public file in this proceeding.

Sincerely,



Patrick J. Donovan

PJD/aeg

No. of Copies rec'd  
List A B C D E

0 + 2

ORIGINAL

FILE STAMP & RETURN

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR  
3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FAX (202) 424-7645  
WWW.SWIDLAW.COM

PATRICK J. DONOVAN  
DIRECT DIAL (202) 424-7857  
PJDONOVAN@SWIDLAW.COM

NEW YORK OFFICE  
THE CHRYSLER BUILDING  
405 LEXINGTON AVENUE  
NEW YORK, NY 10174  
(212) 973-0111 FAX (212) 891-9598

March 8, 2002

VIA COURIER

William F. Caton, Acting Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

RECEIVED

MAR - 8 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

*Ex Parte*  
CC Docket No 01-347

Dear Mr. Caton:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this will provide notice that on March 7, 2002, Scott Sawyer, Vice President-Regulatory Affairs, Conversent Communications; Morton J. Posner, Regulatory Counsel, Allegiance Telecom, Inc.; and the undersigned met with Jordan Goldstein, Office of Commissioner Michael Copps; Sam Feder, Office of Commissioner Kevin Martin; Stacy Robinson, Office of Commissioner Kathleen Abernathy; and Joshua Swift and Richard Kwiatkowski of the Common Carrier Bureau. We presented the views and information set forth in the attached documents concerning Verizon's hot-cut charges and provisioning in New Jersey.

This letter also responds to Verizon's February 20, 2002 letter in which it seeks to conceal its excessive hot-cut nonrecurring charges (NRCs) by suggesting that they are reasonable if amortized over 36 to 60 months and combined with recurring charges for unbundled loops.

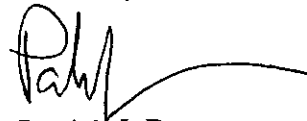
Verizon's analysis is fundamentally flawed and does not change the basic underlying fact that the new hot-cut NRC in New Jersey for a single line customer is 500% higher than previous New Jersey rates, 1,000% higher than Massachusetts rates, 400% higher than New York rates, 500% higher than New Hampshire rates, 25% higher than Vermont rates, 700% higher than Maine rates, and 900% higher than Texas rates. Amortizing Verizon New Jersey rates over several months does not change the relative size of the NRCs among these states. AT&T is correct when it states that "nor can the problem be made to disappear by mixing recurring and non-recurring charges." AT&T March 1, 2002 Ex Parte Letter.

ORIGINAL

The previous NRC in New Jersey was \$32.16 for a single line customer and \$75.21 for a six-line customer. Under the new rates, the NRC is a staggering \$159.76 for a single line customer and \$524.81 for a six-line customer. It is hard to imagine a more compelling illustration of price squeezing. Verizon does not assess these charges to its retail customers, or to UNE-P providers or resellers. It seeks to foist them only on facilities-based carriers that are dependent on Verizon for access to unbundled loops. There is little question that if these rates are allowed to go in effect, facilities-based CLECs in New Jersey will have not have an opportunity to compete for small-and medium-sized business customers.

On the basis of excessive NRC charges alone, the Commission should deny the application.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Donovan', with a long horizontal flourish extending to the right.

Patrick J. Donovan

cc: Jordan Goldstein  
Sam Feder  
Stacy Robinson  
Joshua Swift  
Richard Kwiatkowski

**COMPARISON OF HOT-CUT NON-RECURRING  
COSTS (NRCS) TO SERVE A SINGLE LINE CUSTOMER**

**RECEIVED**

**MAR 11 2002**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**ORIGINAL**

**New Jersey** (New Rates)

Service Order	\$ 2.31
<u>Initial Loop</u>	<u>\$157.45</u>
<b>Total NRC</b>	<b><u>\$159.76</u></b>

**New Jersey** (Old Rates)

Service Order	\$23.55
<u>Initial Loop</u>	<u>\$ 8.61</u>
<b>Total NRC</b>	<b><u>\$32.16</u></b>

(Roughly 500% lower than New NJ Rates)

**Massachusetts**

Service Order	\$ 0
Service Connection (C.O. Wiring)	\$ 1.90
<u>Service Connection - (Other)</u>	<u>\$ 13.36</u>
<b>Total NRC</b>	<b><u>\$15.26</u></b>

(Roughly 1000% lower than NJ)

**New York**

<b>Total NRC</b>	<b><u>\$35.00</u></b>
------------------	-----------------------

(Roughly 400% lower than NJ)

**New Hampshire**

Service Order	\$ 0
Service Connection (C.O. Wiring)	\$ 8.85
<u>Service Connection - Other</u>	<u>\$ 20.67</u>
<b>Total NRC</b>	<b><u>\$29.52</u></b>

(Roughly 500% lower than NJ)

**Vermont**

Service Order	\$ 0
Service Connection (C.O. Wiring)	\$ 6.22
<u>Service Connection - Other</u>	<u>\$ 0</u>
<b>Total NRC</b>	<b><u>\$6.22</u></b>

(Roughly 2,500% lower than NJ)

**Maine**

Service Order	\$ 0
Service Connection (C.O. Wiring)	\$ 6.79
<u>Service Connection - Other</u>	<u>\$ 16.08</u>
<b>Total NRC</b>	<b><u>\$22.88</u></b>

(Roughly 700% lower than NJ)

**Texas**

Service Order	\$ 2.58
<u>Installation</u>	<u>\$15.03</u>
<b>Total NRC</b>	<b><u>\$17.61</u></b>

(Roughly 900% lower than NJ)

COMPARISON OF RECURRING AND NON-RECURRING  
COSTS TO SERVE A SINGLE LINE CUSTOMER FOR ONE YEAR<sup>1</sup>

New Jersey (New Rates)

NRC	\$159.76
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 8.12 x 12 mos. = \$97.44</u>
<b>TOTAL COST:</b>	<b><u>\$257.20</u></b>

Newark, New Jersey (Old Rates)

NRC	\$ 32.16
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 11.95 x 12 mos. = \$143.40</u>
<b>TOTAL COST:</b>	<b><u>\$176.16</u></b>

Massachusetts

NRC	\$ 15.26
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 7.54 x 12 mos. = \$90.48</u>
<b>TOTAL COST:</b>	<b><u>\$105.74</u></b>

New York

NRC	\$ 35.00
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 7.70 x 12 mos. = \$92.40</u>
<b>TOTAL COST:</b>	<b><u>\$127.40</u></b>

New Hampshire

NRC	\$ 29.52
<u>ANNUAL RECURRING CHARGES<sup>2</sup></u>	<u>\$ 9.57 x 12 mos. = \$114.84</u>
<b>TOTAL COST:</b>	<b><u>\$144.36</u></b>

Vermont

NRC	\$ 6.22
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 7.72 X 12 mos. = \$92.64</u>
<b>TOTAL COST:</b>	<b><u>\$99.26</u></b>

Maine

NRC	\$ 22.88
<u>ANNUAL RECURRING CHARGES</u>	<u>\$ 11.44 x 12 mos. = \$137.28</u>
<b>TOTAL COST:</b>	<b><u>\$160.16</u></b>

<sup>1</sup> Analysis uses filed NRCs and lowest deaveraged monthly loop rates approved by the applicable State Commission.

<sup>2</sup> In accordance with the NH PUC's March 1, 2002 letter to Verizon establishing conditions for a positive recommendation on VZ-NH's 271 Application.

**COMPARISON OF HOT-CUT NON-RECURRING COSTS (NRCS)**  
**TO SERVE A CUSTOMER WITH SIX LINES**

**New Jersey** (New Rates)

Service Order	\$ 2.31	
Initial Loop	\$157.45	
<u>Additional Loop</u>	<u>\$365.05</u>	(\$73.01 x 5 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$524.81</u></b>	

**New Jersey** (Old Rates)

Service Order	\$ 23.55	
<u>Installation</u>	<u>\$ 51.66</u>	(8.61 x 6 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$ 75.21</u></b>	

**Massachusetts**

Service Order	\$ 10.17	
Service Connection (C.O. Wiring)	\$ 11.40	(\$1.90 x 6 loops)
<u>Service Connection - (Other)</u>	<u>\$ 80.16</u>	(\$13.36 x 6 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$101.73</u></b>	

**New York**

<b>Total NRC</b>	<b><u>\$210.00</u></b>	(\$35.00 x 6 loops)
------------------	------------------------	---------------------

**New Hampshire**

Service Order	\$ 5.71	
Service Connection (C.O. Wiring)	\$ 53.10	(\$8.85 x 6 loops)
<u>Service Connection - Other</u>	<u>\$124.02</u>	(\$20.67 x 6 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$182.83</u></b>	

**Vermont**

Service Order	\$ 0	
Service Connection (C.O. Wiring)	\$ 36.32	(\$6.22 x 6 loops)
<u>Service Connection - Other</u>	<u>\$ 0</u>	
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$36.32</u></b>	

**Maine**

Service Order	\$ 3.56	
Service Connection (C.O. Wiring)	\$ 40.74	(\$6.79 x 6 loops)
<u>Service Connection - Other</u>	<u>\$ 96.48</u>	(\$16.08 x 6 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$140.78</u></b>	

**Texas**

Service Order	\$ 2.58	
<u>Installation</u>	<u>\$90.18</u>	(\$15.03 x 6 loops)
<b>Total NRC to Serve a 6 Line Customer</b>	<b><u>\$92.76</u></b>	

# VZ-NJ RETAIL SERVICE CHARGES

A3. SERVICE CHARGES

3.1.2 DEFINITIONS

ORIGINAL

A. ELEMENT SERVICE CHARGES

ELEMENT SERVICE CHARGES are applicable to exchange and foreign exchange access lines, Channel Services as specified in B3.1.5, and supplemental services and facilities.

ELEMENT Service Ordering Charges apply for work done in connection with the same service at the same time at one or more locations of that service.

1. ELEMENT 1 - Service Ordering Charge

This charge applies to receiving, recording and processing customer requests for work to be done in connection with the same service at the same time at one or more locations of that service. It has three possible applications, as indicated below, only one of which applies for each customer order.

ELEMENT 1A - Connect new or additional exchange access lines

ELEMENT 1B - Move or change existing service and equipment or add new or additional service and equipment other than exchange access lines.

ELEMENT 1C - Record type change only

This charge does not apply to the installation of: Channel (including FX Service); refer to the "B" Tariff, Outward WATS or Toll Free Service; refer to Sections A5. and A7. Public Data Network; refer to Section A12. \*

2. ELEMENT 2 - Central Office Exchange Access Line Charge

This covers work associated with the line extending from the serving central office up to and including the Rate Demarcation Point on the customer's premises. Major work functions are central office cross-connect work, work done with distribution facilities outside of the central office, and connection of drop wire to the protector at the customer's premises.

ELEMENT 2A - Connection of a central office exchange access line

ELEMENT 2B - Change of an existing central office exchange access line

This charge does not apply to the installation of: Channel (including FX Service); refer to the "B" Tariff, Outward WATS or Toll Free Service; refer to Sections A5. and A7. Public Data Network; refer to Section A12. \*



NEW JERSEY BELL TELEPHONE COMPANY  
TARIFF B.P.U.-N.J.-NO. 2  
EXCHANGE AND NETWORK SERVICES  
ISSUED: NOVEMBER 26, 1986

FOURTH REVISED PAGE 4  
CANCELS THIRD REVISED PAGE 4  
BY B. M. HARTNETT, JR., GENERAL COUNSEL  
EFFECTIVE: JANUARY 1, 1987

A3. SERVICE CHARGES

RESERVED FOR FUTURE USE

(\*)

Material formerly on this page has been deleted.

(\*)

---

Filed pursuant to Order in Docket No. TT86111341 of the Board of  
Regulatory Commissioners, State of New Jersey, dated January 12, 1987.

NEW JERSEY BELL TELEPHONE COMPANY  
TARIFF B.P.U.-N.J.-NO. 2  
EXCHANGE AND NETWORK SERVICES  
ISSUED: NOVEMBER 26, 1986

FOURTH REVISED PAGE 5  
CANCELS THIRD REVISED PAGE 5  
BY B. M. HARTNETT, JR., GENERAL COUNSEL  
EFFECTIVE: JANUARY 1, 1987

A3. SERVICE CHARGES

3.1.2 DEFINITIONS (Cont'd)

A. ELEMENT SERVICE CHARGES (Cont'd)

4. ELEMENT 6 - Premises Visit Charge

This charge applies for visiting the customer's premises to perform the work requested up to and including the RDP and includes travel time to such premises.

Application of this charge would include, but not be limited to:

- Installation of a customer requested Network Interface, when no other chargeable work is being done at that time.
- Centrex CU - Activation of a Centrex Line Number at the customer's premises.

Certain material formerly on this page has been deleted.

NEW JERSEY BELL TELEPHONE COMPANY  
TARIFF B.P.U.-N.J.-NO. 2  
EXCHANGE AND NETWORK SERVICES  
ISSUED: NOVEMBER 26, 1986

FOURTH REVISED PAGE 6  
CANCELS THIRD REVISED PAGE 6  
BY B. M. HARTNETT, JR., GENERAL COUNSEL  
EFFECTIVE: JANUARY 1, 1987

A3. SERVICE CHARGES

3.1.3 RATE SCHEDULES

A. ELEMENT SERVICE CHARGES

ELEMENT SERVICE CHARGES for work activities performed in connection with Channel Service are charged for at business rates except for orders for residence foreign central office district and foreign exchange services.

The following work is not subject to SERVICE CHARGES. Refer to A3.1.6 for appropriate rate treatment.

- Restoral of Service
- Rearrangements of Non-Customer Premises Equipment Telephone Plant

Certain material formerly on this page has been deleted.

(\*)

---

Filed pursuant to Order in Docket No. TT86111341 of the Board of  
Regulatory Commissioners, State of New Jersey, dated January 12, 1987.

A3. SERVICE CHARGES

3.1.3 RATE SCHEDULES (Cont'd)

A. ELEMENT SERVICE CHARGES (Cont'd)

1. Rate Treatment

<u>NONRECURRING CHARGES</u>		
	<u>RESIDENCE</u>	<u>BUSINESS</u>
a. Service Ordering Charge (ELEMENT 1)		
- 1A. Connect new or additional exchange access lines	\$28.25 $\phi$	\$58.56
- 1B. Move, change or add service/equipment	16.00 $\dagger$	20.19
- 1C. Record type change only	10.50	16.15
b. Central Office Exchange Access Line Charge (ELEMENT 2)		
- 2A. Connect new or additional exchange access line	14.10 $\phi$	21.71
- 2B. Change existing exchange access line	5.00 $\dagger$	6.06
c. Premises Visit Charge (ELEMENT 6)	14.50	19.18

$\phi$  Link Up America discounts amounting to 50% apply for eligible customers as defined in A3.1.1 preceding.

$\dagger$  For additions or changes to Priority Call, Call Block, Select Forward, Touch-Tone, Custom Calling Services, Residence Service Variety Package, Home Intercom/INTERCOM EXTRA\*, Distinctive Ring, Ultra Forward\*, Call Forwarding Busy Line/Don't Answer, Voice Dialing Service, or Premium Collection Package defined in A5.4 following, or Call Gate as defined in A10.4 following, the charge for Element 1B is \$4.00 and the charge for Element 2B is \$1.00.

\*

11/29/01 17:44 FAX 12018787241

ALLEGIANCE TELECOM INC  
Regulatory & Interconn  
NJ ALLIANCE TELECOM #0001  
0002

FROM :

FRX NO. : 9739940766

Nov. 29 2001 03:31PM P1

**DYNATHERM CORP./REPRESENTING THE MANUFACTURER**OFFICES: 107 EAST MOUNT PLEASANT AVENUE - LIVINGSTON, NJ 07039  
MAILING ADDRESS: P.O. BOX 880 - LIVINGSTON, NEW JERSEY 07039**HEATING - VENTILATING - AIR CONDITIONING**

TEL: 973-994-1810

FAX: 973-994-0766

ORIGINAL

~~DANGEROUS~~

RECEIVED

MAR 11 2002 November 29, 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARYAllegiance Telecom, Inc.  
9201 North Central Expressway  
Dallas, Texas 75231

Attention: Mr. Kenny Tuosto

Reference: Dynatherm Corp. A/C #508738  
Telephone Nos. 973-994-1810, 973-994-1811,  
973-994-3572, 973-994-4515

Dear Mr. Tuosto:

As you know, one time we authorized you to switch the referenced telephone lines to your company. We subsequently called you to cancel that order. This is an explanation for why we cancelled that order.

We have another line (our DSL line) which was never intended to be transferred to your company by us or by you. Somehow, Verizon, our previous and present provider for all lines, cancelled our DSL service. It was an impossibly cumbersome matter to find out what had happened with Verizon, and to get them to correct the problem. It took 3 days of my time. At first Verizon insisted that we either had given the DSL line to your company, or that the DSL line had been "slammed" by your company. Neither was true. Sparing you all of the details, it became clear to me that there was no way to change our local service to your company without service interruption and frustrating and lengthy time involvement with Verizon. That is why I cancelled our order with your company.

11/29/01 17:45 FAX 12016727241

NJ ALLEGIANCE TELECOM #

0003

0003

FAX NO. : 973-994-0766

Nov. 29 2001 03:31PM P2

**DYNATHERM CORP./REPRESENTING THE MANUFACTURER****OFFICES:** 107 EAST MOUNT PLEASANT AVENUE - LIVINGSTON, NJ 07039  
**MAILING ADDRESS:** P.O. BOX 380 - LIVINGSTON, NEW JERSEY 07039**HEATING - VENTILATING - AIR CONDITIONING****TEL:** 973-994-1810**FAX:** 973-994-0766**Mr. Kenny Tuosto**  
**Allegiance Telecom, Inc.****Page Two****ORIGINAL**

The difficulties we experienced with Verizon, in my opinion, made legitimate competition impossible. I have to wonder whether this was their underlying intent.

So far as I can tell, your company did nothing wrong, and was victimized by Verizon.

Very truly yours,

**DYNATHERM CORP.**  
J. Zandman